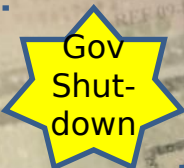


Appropriation Law Course

ALC 0101

Rev 2/13



Overview

- Accountable Officials
- Sources of Appropriation Law
- Appropriations Available as to Purpose
- Appropriations Available as to Time
- Anti-Deficiency Act
- Military Construction
- Expense vs. Investments
- Non-appropriated Funds
- Conduct of Preliminary Investigations
- Preventing ADA Violations



LEARNING OBJECTIVES



Importance of Appropriations

- Most violations occur while **Law**
 - Accomplishing the mission
 - Fulfilling operational requirement
- Battlefield Constraint
 - Affects the employment of force
 - May not be waived/ignored
- **Failure to adhere may result in severe consequences**
 - Administrative & criminal penalties may apply



Importance of Appropriations Law

- Use critical thinking skills to mitigate risk
- As staff officers, it is our responsibility to
 - Identify available funding resources
 - Advise the Commander
 - While not violating appropriations law, other regulations, or lawful orders

Accountable Officials

- Why are we here?
 - DoD Financial Management Regulation 7000.14-R
 - Vol. 14, Ch. 2, Para. 020401.B.3
 - <http://comptroller.defense.gov/fmr/>
 - MARADMIN 350/11
- Training at least every three years
- Applying basic principles to fiscal law

Navigation bar of Windows Internet Explorer showing the address bar with the URL <http://comptroller.defense.gov/fmr/> and various toolbars including Favorites, (1 unread...), DoD ... x, and Page, Safety, Tools.

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Fund Control Personnel

All individuals with roles that include oversight, execution, or funds management

- Commanders
- Comptrollers
- Contracting Officers
- Certifying Officials
- Authorizing Officials
- Approving Officials
- Disbursing Officers
- Funds Managers
- Funds Holders
- Program Managers
- Supply Officers
- Other Funds Control Personnel

Fund Control Personnel

- Tier 1
 - Issue Funding Allocations & Documents
 - Accept Funding Allocations & Documents
- Tier 2
 - Issue routine, small dollar documents
 - Travel Orders
 - Requests for training or supplies
 - GCPC purchases
- CGs/COs require briefing





U.S. Government



- Three Branches of Government
 - Legislative – Article 1
 - Makes Laws
 - Executive – Article 2
 - Executes and Enforces Laws
 - Judicial – Article 3
 - Interprets Laws
- In order to execute laws, they must first be established by Congress



The Power of the Purse

- Gives Congress the power to
 - Appropriate Funds
 - Prescribe conditions governing use of funds

Article I, Section 8

“...provide for the common defense...”

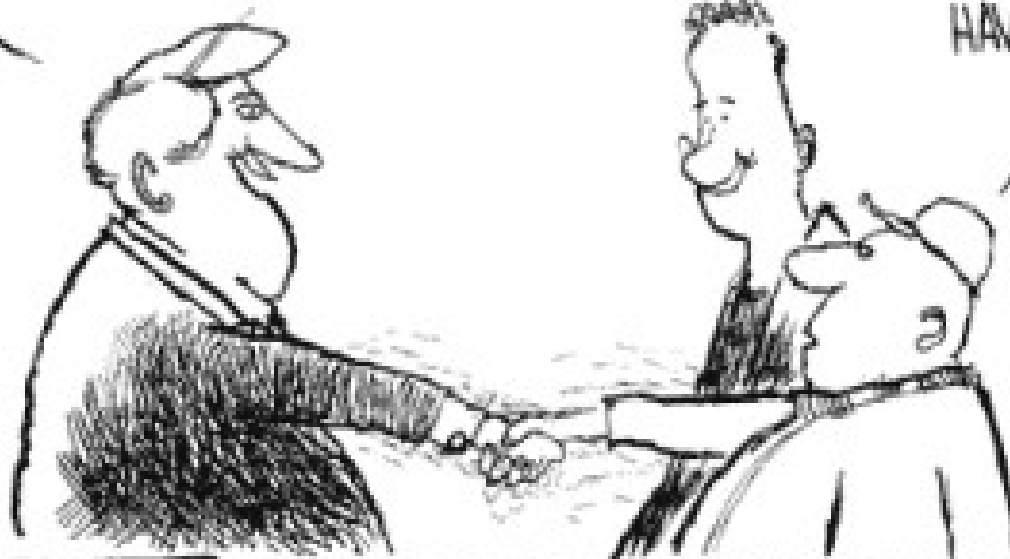
“To provide and maintain a navy”

Article I, Section 9, Clause 7

“No money shall be drawn from the Treasury, but in Consequence of Appropriations made by law.”

I'D LIKE
YOUR VOTE.

WHAT DO YOU
HAVE TO OFFER?



HOON BEACH JOURNAL 5/03

THE POWER TO
TAKE HIS MONEY
AND GIVE IT
TO YOU.



SOLD.

The Power of the Purse

- Supreme Court Decisions

“However much money may be in the Treasury at any one time, not a dollar of it can be used in the payment of anything not previously sanctioned.”

Reeside v. Walker (1850)

- Only Congress has the authority to approve spending public funds

The Power of the Purse

- Supreme Court Decisions

“The established rule is that the expenditure of public funds is proper only when authorized by Congress, not that public funds may be expended unless prohibited by Congress.”

United States v. MacCollom (1976)

- Congress must appropriate funding for a particular purpose

The Power of the Purse

- Supreme Court re-affirmation

In 1990, SCOTUS reiterated that any exercise of power by a government agency "is limited by a valid reservation of congressional control over funds in the Treasury."

Office of Personnel Management v. Richmond, 496 U.S. 414, 425, 110 S. Ct. 2465, 2472 (1990).

ASK HIM! HE KNOWS

Key Terms

- Authorization Act
- Appropriation Act
- Continuing Resolution Act
- Appropriations
- Fiscal Year
- Period of Availability
- Obligation
- Budget Authority

ASK HIM! HE KNOWS!

Nature of Appropriation Law



- Fiscal law covers every aspect of work in the financial management field



- Enforced in garrison or when forward deployed



Barney Fife

GAO

Appropriation

Sources of

US
Constitution

US Code
(Title: 10, 22, 31)
Organic Laws

Authorization Acts
Appropriation Acts

Comptroller General

<http://gao.gov>

Court Rulings

Law

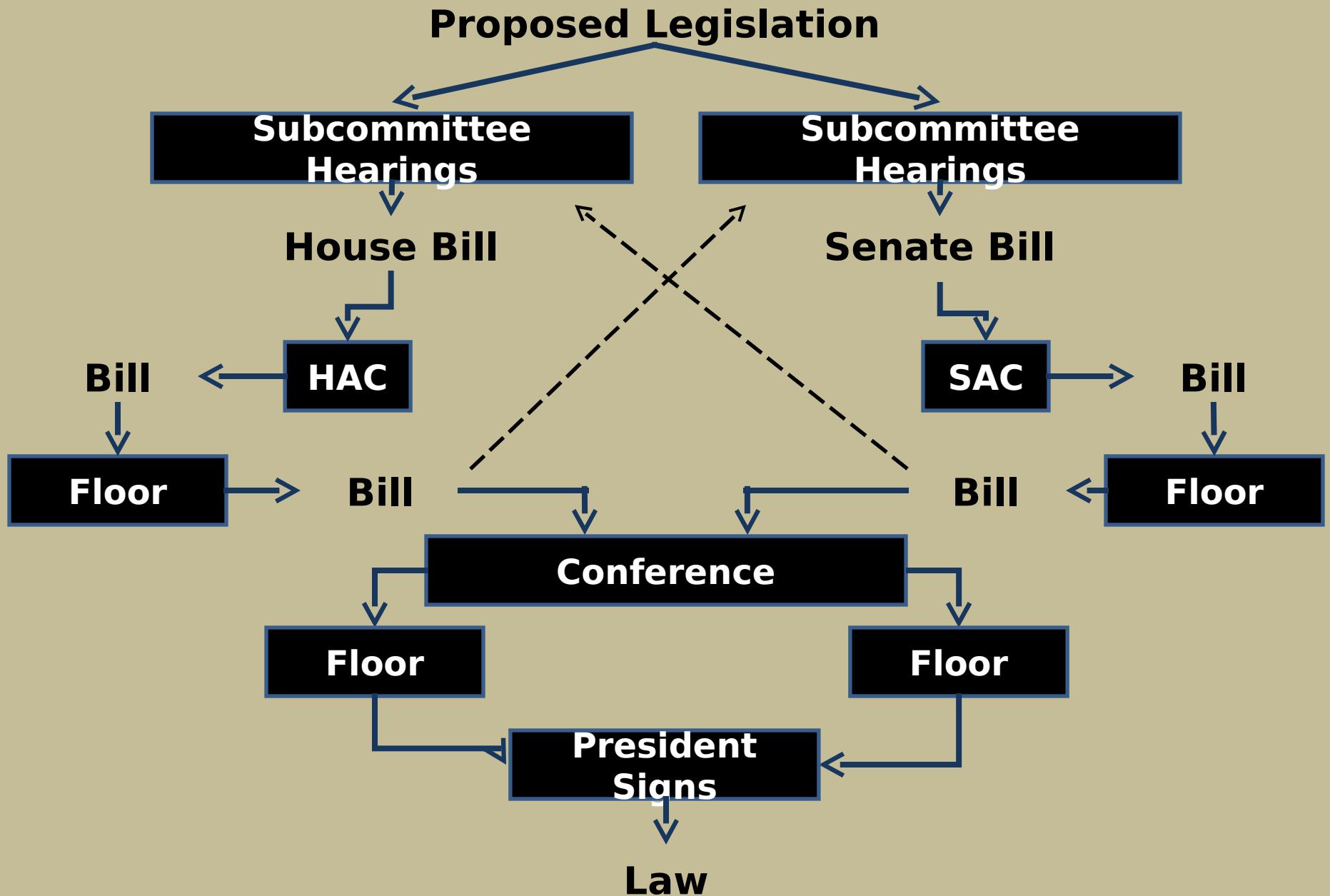
Guiding Principles -

Regulations
Regulations are not legislation, they are rules that determine how the laws are implemented

- Treasury Financial Manual
- OMB Circulars
- GAO Redbook
- DoD Financial Management Regulation (DoD FMR)
- DoN and USMC Guidance, Policy, and Procedures







Lifecycle of an Appropriation

- President's Budget due first Monday in Feb
 - (2 U.S.C. § 631)
- Submitted to Speaker of the House and President of Senate
- Congress has broad discretion over budget submission
 - Approve
 - Increase/Decrease funding levels
 - Eliminate Proposals
 - Add additional programs

Lifecycle of an Appropriation

- Bill referred to Committee
 - House/Senate Armed Services Committee (HASC/SASC)
 - House/Senate Appropriations Committee (HAC/SAC)
- What is the difference between the two types of committees?

Armed Services Committees

Draft legislation for program authorization

Appropriations Committees

Draft legislation for appropriations

Lifecycle of an Appropriation

- President may accept or veto the Bill
- Results
 - Authorization Act – Authorizes Programs
 - Appropriation Act – Provides Budget Authority
 - 31 U.S.C. § 1511
- Authorization Act does not have to come first
 - Appropriation preceding an Authorization implies authorization (precedent)



Lifecycle of an Appropriation

- Office of Management and Budget (OMB)
 - Apportionment
- Department/Agency
 - Allocation
- Major Commands
 - Allotments
 - Sub-Allotments
- Informal Subdivisions (Allowances, OpTar)



Lifecycle of an Appropriation

O&M, MC
example

Congress

OMB

HQMC

MARFOR/MCI

MEF/MCB

DIV/SOI/MCAS

Appropriation

Apportionment

Allocation

Allotment

Sub-Allotment

**Operational
Target**

Transaction Lifecycle

- **Commitment (CMT)**

- Firm administrative reservation of funds



- **Obligation (OBL)**

- Legal binding agreement



- **Expense (EXP)**

- Goods or services have been received



- **Liquidation (LIQ)**

- Payment for goods or services
- (also called outlay or disbursement)



Congressional Controls

- Early fiscal issues
 - Spent in advance of an appropriation
 - Used funds for other purposes
 - Obligated at rates requiring supplemental appropriations
- Three elements to govern use of funds
 - **Purpose** (31 U.S.C § 1301(a))
 - **Time** (31 U.S.C § 1502(a))
 - **Amount** (31 U.S.C § 1341(a) and § 1517)





Appropriations Act Limitations

CASE STUDY



Fiscal Limitations

Three major fiscal limitations (statutes)
Congress uses to control
how agencies use funds:

1) Purpose - 31 U.S.C. §1301

2) Time - 31 U.S.C. §1502

3) Amount - 31 U.S.C. §1341,
1342 & 1517



Purpose

**Should I buy
what is
behind door #
1, 2, or 3?**

Pick a Door, any door



Purpose

Congress determines the purpose for which we receive budget authority

**You can only
buy what is
behind door
#2!**



Purpose

- 31 U.S.C. § 1301 (Purpose Statute)

“Appropriations shall be applied only to objects for which the appropriations were made except as otherwise provided by law.”



1809



Purpose

- A purchase is...

“permissible if it is reasonably necessary in carrying out an authorized function or will contribute materially to the effective accomplishment of that function and if it is not otherwise prohibited by law.”

(B-226065 (1987))

- Must be necessary and incident to proper execution of general purpose of appropriation

Purpose

- Necessary Expense Test (B-286457)
 - Is it necessary? Does a requirement exist?
- “Three part rule”
 1. Bear a logical relationship to appropriation and make direct contribution to an agency function
 2. Not be prohibited by law or agency policy
 3. Not be otherwise provided for in another appropriation

Purpose

- Reference the Appropriation Act to determine an authorized purpose
 - DoD has over 100 Appropriations
 - Most Marine Corps organizations have one
- Appropriations differ by service and by purpose
 - Congress typically passes 13 Appropriation Acts

Accounting Classification Code

- 1 - ACRN: Accounting Classification Reference Number
- 2 - APPN: Appropriation
- 3 - BLI/SH: Budget Line Item
- 4 - OC: Object class
- 5 - BCN: Bureau Control Number
- 6 - SA: Sub-allotment
- 7 - AAA Authorization Accounting Activity
- 8 - TTC Transaction Type Code
- 9 - PAA: Property Accounting Activity
- 10 - CC: Cost Code

APPN

Accounting Classification Code

(2) (3) (4) (5) (6) (7) (8) (9) (10)
A 1721106.1A1A 210 20133 _ 067443 2D 0E1748 25506123ABCD

Accounting Classification Code

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)
A 1721106.1A1A 210 20133 _ 067443 2D 0E1748 25506123ABCD

Appropriation (APPN)

- 7 digit code used to identify a congressionally approved APPN

Examples:

1105	MPMC
1106	O&M,MC
1107	O&M,MCR
1108	RPMC
1109	PMC
1319	RDT&E



[http://](http://www.finance.hq.navy.mil/fmb/12pres/books.htm)

www.finance.hq.navy.mil/fmb/12pres/books.htm

Purpose - Appropriations

- Operations & Maintenance, Marine Corps (O&M,MC)
- Operations & Maintenance, Marine Corps Reserve (O&M,MCR)
- Military Personnel, Marine Corps (MPMC/MILPERS)
- Reserve Personnel, Marine Corps (RPMC)
- Research, Development, Test and Evaluation (RDT&E)
- Procurement, Marine Corps (PMC)
- Procurement of Ammunition, Navy and Marine Corps (PANMC)
- Military Construction (MILCON)

Purpose - Appropriations

- FY12 DoD Appropriations Act
 - Operation and Maintenance, Marine Corps:

“For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, **\$5,542,937,000**”

Purpose - Appropriations

- Operation and Maintenance, Navy:

“For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed **\$14,804,000** can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, **\$38,120,821,000**”

Purpose - Appropriations

- **Operation and Maintenance, Defense-Wide**
For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law,
\$30,152,008,000

*Provided, That not more than **\$47,026,000** may be used for the Combatant Commander Initiative Fund authorized under section 166a of title 10, United States Code*

Purpose - Appropriations

- Operation and Maintenance, Defense-Wide (cont.):

Provided further, That not to exceed
\$36,000,000 *can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes*

Purpose - Appropriations

- Operation and Maintenance, Defense-Wide (cont.):

*Provided further, That of the funds provided under this heading, not less than **\$34,311,000** shall be made available for the Procurement Technical Assistance Cooperative Agreement Program, of which not less than **\$3,600,000** shall be available for centers defined in 10 U.S.C. 2411(1)(D)*

Purpose - Appropriations

- Operation and Maintenance, Defense-Wide (cont.):

*Provided further, That **none** of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office*

Purpose - Appropriations

- Operation and Maintenance, Defense-Wide

(cont.):

Provided further, That \$8,420,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary of Defense to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which transferred

Purpose - Appropriations

- Operation and Maintenance, Defense-Wide (cont.):

Provided further, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso

Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

Purpose – Three-part Test

- Part I: Agency Mission
 - National Security Act of 1947
 - Marines are trained, organized and equipped for offensive amphibious employment as a “force in readiness,”
 - 10 U.S.C § 5063
 - Include providing combined arms forces and for service with the [Naval] fleet in the seizure or defense of advanced Naval Bases



Purpose – Three-part Test

- Agency Mission Example
 - Your unit wants to purchase Hesco barriers to establish a perimeter in a forward operating base. Does that constitute a logical relationship to the agency mission?
- **Agency Mission Example**
 - Yes, it supports the defense of an advanced Naval Base

Purpose – Three-part Test

- Part II: Not prohibited by law
 - If requirement supports agency mission, research sources of appropriation law to determine if prohibited



Purpose – Three-part Test

- Not Prohibited by Law Example
 - Could a Marine Corps Base pay for the installation and maintenance of water pipelines to support a military base golf course with its O&M Funding?
- **No, it is specifically prohibited by law, 10 U.S.C § 2941a, i.e. the use of appropriated funds to equip, operate or maintain a golf course**
 - **B-277905 (1998)**



Check No.

Purpose – Three-part Test

- Part III: Not otherwise provided for, budgeted for or typically made available from another appropriation
- General v. Specific Appropriation
- Exception – When Congress authorizes, in law, a particular expenditure from a particular appropriation



Purpose – Shifting funds

- Reprogramming
 - Shifting funds within appropriation
 - O&M, MC, FY11 threshold was \$15M
 - Requires Congressional notification

DoD Vol. 3, Ch. 6

- Transfer Authority
 - Shifting funds between appropriations
 - Approval by OMB and Congressional notification

DoD Vol. 3, Ch. 3

Purpose – Classify Acquisition

- Expenses: Costs incurred to operate and maintain organization
 - Supplies, Fuel, Maintenance (DoD FMR, Vol. 2A, Ch. 1)



Purpose – Classify Acquisition

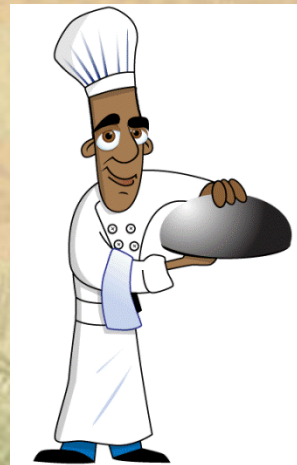
- Investments: costs resulting in
 - Acquisition or mod of major end item
 - Long-term character
- Construction
 - Produces complete and useable facility
 - Improvement to existing facility

Purpose –Food

- Free food normally cannot be justified as ‘necessary expense’
 - Considered personal expenses, B-249795 (1993)
 - Linked to entertainment, B-163764 (1968)

Purpose –Food

- Formal Meetings and Conferences Exception
 - Multiple agencies and/or nongovernmental participants
 - Meals must be incident to conference
 - Attendance must be necessary for full participation
 - Includes not only functions when meals are served but functions taking place separately
 - Must have
 - Sufficient formality
 - Registration
 - Published agenda
 - Schedule speakers



ALNAV 072/11
MCO 7300.22A

Purpose –Food

- Conference Fees
 - Must have no additional or separate food cost
- Cultural Awareness Programs
 - Can provide small “samples” of ethnic foods
 - B-199387 and B-301184
- Travel
 - Authorized to fund meals while in a travel status
 - 5 U.S.C. § 5702

Purpose –Food

- Appropriated funds may be used to purchase:
 - Refrigerators
 - Microwaves
 - Commercial coffee makers
- Must be located in a common area available to all
- Food storage & preparation relates to efficiency of agency activities
 - B-302993, B-276601, B-210433



Purpose –Food

- Appropriated funds are available for purchase of food if:
 - Extended hours, **and**
 - “extremely emergent situation involving danger to human life and the destruction of Federal property” exists
- “Dangerous conditions” are not enough to warrant a food purchase
 - B-185159

Purpose –Food

- Official Representation Funds (ORF)
 - Extend official courtesies to ORF-eligible DVs

• Emergency and Extraordinary Expense
“And not to exceed **\$14,804,000** can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes” FY12 DoD Appropriations Act (O&M,N)

Purpose –Bottled Water

- Bottled Water
 - Does not contribute to mission accomplishment
 - Personal Expense
- Exceptions
 - Public Water is non-potable
 - Emergency failure of the water source on installation
 - No water within reasonable distance
 - B-310502
 - No water available at a lower cost



Purpose – Awards

- Requires direct link between the award and purpose of the appropriation
- Excellence in accomplishments or competitions
 - 10 U.S.C § 1125
- Must develop an awards program
 - Unique achievement
 - Clearly contributes to increased effectiveness
- Award of Trophies and Similar Devices in Recognition of Significant Accomplishments

SECNAVINST 3590.4A
MCO 7042.6C



Purpose - Entertainment

- Entertainment
 - Generally does not contribute to unit mission
- Exception
 - ORF if ratios are met

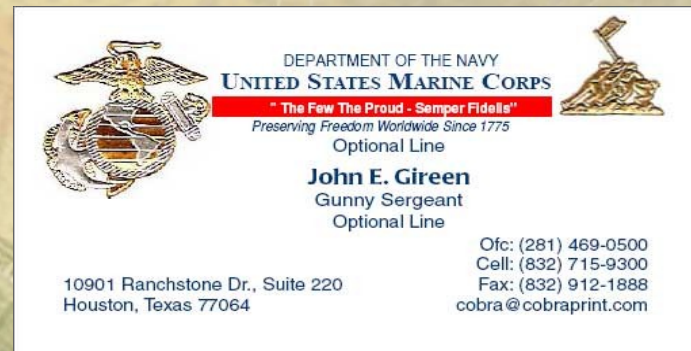


Purpose - Decorations

- Decorations authorized when
 - Modestly priced and consistent with work-related objectives
 - B-217869, B-226011, B-217555
- Not authorized for personal convenience
 - Christmas cards and holiday greetings letters
 - B-217555

Purpose – Business Cards

- GAO authorized purchase of business cards for agency employees
 - Regularly deal with outside organizations
 - B-280759
- Military departments
 - Only recruiters and criminal investigators can procure commercially
 - All others purchase card stock and use in-house printing



Purpose – Wearing Apparel

- Government must receive principal benefit and “owns” the item
- Examples
 - Item is special, government benefit and employee performing hazardous duty
 - Uniform, if required by law or agency regulation
 - Occupational health and safety

Clothing Exceptions

- Official Civilian DOD Uniforms: 10 U.S.C. § 1593
- Administrative Expenses Act: 5 U.S.C. § 7903
 - Special/unusual clothing
 - Gov't benefit and safety considerations
 - Must involve hazardous duty
 - Not solely for personal comfort
- OSHA Compliance: 29 U.S.C. § 668

Purpose - EEE

- Appropriated funds with broad discretion
 - Does not need to satisfy normal purpose rules
 - Separate item in the O&M,N appropriation
- Must be specifically granted for EEE
 - B-231627
- Have strict regulatory controls
 - Limited availability
 - Potential for abuse

10 U.S.C § 127

SECNAVINST 7042.12E

Purpose - EEE

- Official Representation Funds (ORF)
 - Extend official courtesies to
 - Dignitaries and Foreign officials
 - Senior U.S., State & Local Government officials
 - Distinguished and Prominent citizens
 - Considerations
 - Susceptive to fraud, waste, and abuse
 - Extension of Commander's influence in

DoD FMR, Vol. 10, Ch. 12, Para. 120322.B

AOR

DoD Directive 7250.13

SECNAVINST 7042.7K

Purpose - EEE

- Criminal Investigation Activities
 - Unusual expenditures during criminal investigations
 - Unusual expenditures for crime prevention
- Intelligence Activities
 - Unusual expenditures during intelligence investigations

Purpose - Scenarios

- You work for COMMARFORPAC
- Associate from PACFLT calls with a question
 - Supply Officer with U.S. 7th Fleet wants to purchase steel toed boots for Marines aboard a ship working with heavy equipment and explosive ordnance

Yes, APFs can be used for steel toed boots.

5 U.S.C § 7903 specifically authorizes the purchase of special clothing to protect personnel from the hazards of their duties

Purpose - Scenarios

- You work for MCB, Camp Pendleton
- The Staff Secretary calls with a question
- ...
- Protocol Officer is PCSing & wants to use O&M funds to buy food & drinks for a going-away ceremony

No, APFs cannot be used for Food and Drinks.

- Food generally does not contribute to agency's mission and is considered a personal expense
- Not an all inclusive rental expense
- Not a formal meeting and not civilians

Purpose - Scenarios

- You work for 2d MAW
- The Staff Secretary calls with a question...
 - The command recently used O&M funds to buy patriotic & motivational decorations (pictures of historical Marine Corps Aircraft) for the HQ building; was this waste and illegal?

Yes, You Can Use APFs.

GAO allows if they are modestly priced and consistent with work-related objective rather than for personal convenience

Purpose - Scenarios

- You work for III MEF
- MEF Protocol Officer calls with a question...
 - Protocol Officer wants to buy coins with O&M for CG to give quarterly award

Generally, cannot use APFs to purchase coins as mementos

- May use APFs to purchase as an *award* for *excellence in accomplishment or competition*
- Arguably, a quarterly award winner meets the criteria for “excellence in accomplishment”
- Giving coins to family members of deployed personnel would not be proper.
- Could purchase the coins with personal funds



Time – Period of Availability

- 31 U.S.C § 1501
 - Obligations may only be recorded when supported by documentation of a binding agreement
- 31 U.S.C. § 1502
 - Balance of an appropriation is available only for payment of expenses properly incurred
- 31 U.S.C. § 1552
 - Appropriation is available for a definite period of time or the authority to obligate expires

Time – Period of

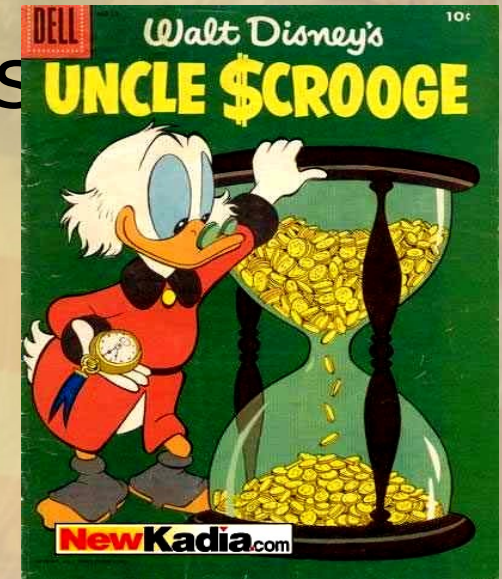
• 31 U.S.C. § 1301 Availability

- Appropriated funds are presumed to be available only for the fiscal year covered by the Appropriations Act
- The Appropriations act may expressly provide otherwise

“no funds made available in this Act may be obligated beyond the end of the fiscal year unless expressly provided for a greater period of availability elsewhere in the Act.” DoD Appropriations Act, 2012 § 8003

Time - Period of Availability

- One Year (Annual) Appropriations
 - O&M,MC and MILPERS
- Multiple year Appropriations
 - RDT&E (2 Years)
 - PMC (3 Years)
 - MILCON (5 Years)
- No year Appropriations
 - Working Capital Funds
 - Remain available until expended



Time – Period of Availability

- Fiscal Year
 - Prior to 1842, based on calendar year
 - 1842-1976 fiscal year was 1 July – 30 Jun
 - 1974 Congress mandated new fiscal year
 - 1 October – 30 September
 - Started in 1977

31 U.S.C § 1102

- The period of availability is the only legal time a “new” obligation can occur

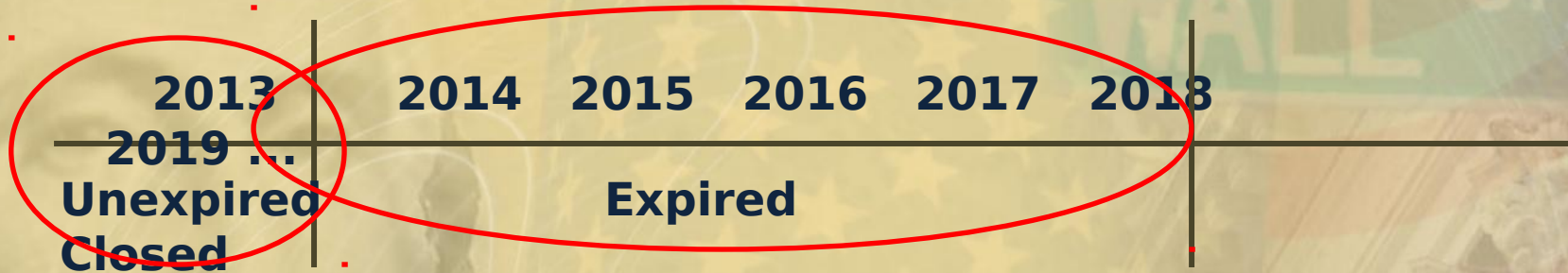
Appropriations and Status

Current Status (Annual Appropriation Ex.)

2013	2012	2011	2010	2009	2008
2007					
Unexpired			Expired		
Closed					

- Adjustments to obligations may be made for five (5) years **after** the appropriation *expires*.
- At the end of the five (5) years
 - Appropriation account is **closed**
 - Unobligated balance is **canceled**.

Life of FY13 Appropriation



- Unexpired (Current)
 - Active & currently available for obligations
 - Depends on life of appropriation
- Expired
 - No longer available to incur new obligations
 - Adjustments & disbursements may be made
 - Lasts for five years

Time – Status of an Appropriation

- Unrecorded Obligation
 - Obligation incurred legitimately during period of availability
 - Not recorded in the accounting system
 - Considered an “adjustment” rather than “new” obligation
 - DoD FMR Vol. 3, Ch. 10, Para. 100102.F

2012	2013	2014	2015	2016	2017	
2018 ...						
Unexpired		Expired				Closed

- Closed/Cancelled

- No obligations or adjustments can be made
- Collections deposited in Treasury
- Valid obligations & adjustments may be charged to appropriation available for same purpose
 - 31 U.S.C. § 1553(b)(2)
 - DoD FMR Vol. 3, Ch. 10,
 - Para. 100201.F



Time – Bona Fide Needs Rule

- BFN Rule is a timing Rule (1789)
 - Timing of Obligation and of Agency Need
 - Intent was to instill a sense of fiscal responsibility

31 U.S.C. § 1502

31 U.S.C. § 1552

DoDFMR, Vol. 3, Ch. 10, Para. 100201.E



Time – Bona Fide Needs Rule

- Bona fide need rule considers
 - Estimated current consumption
 - Future requirements with long lead times
 - Authorized stock levels

Time – Bona Fide Needs Rule

- BFN Rule analysis
 - Classify the acquisition
 - Identify applicable Rule
 - Identify applicable exceptions

Time – BFN Rule Considerations

- May not obligate prior to
 - Appropriations Act
 - Receipt of funds from OMB
- Avoid situations that require “coercive deficiency”
 - Agency commits U.S. to make good on promise absent an appropriation
- Intend that contractor starts work promptly in accordance with contract terms

Time - Severable Services

- Routine, repetitious services
- Can be separated for performance by days, months, quarters, or FYs
- Generally chargeable to the appropriation current at the time services are rendered
- B-241415



Time – Severable

Services

- Exception (Annual Appropriations)
 - DoD has authority to enter into 12-month contracts
 - May cross FYs
 - Use appropriation available at time of award
 - 10 U.S.C. § 2410a
- Cannot extend period of availability of multiple year appropriations (B-317636)

Time – Non-severable Services

- Services, by nature, that cannot be separated for performance
 - One complete project, one final result
 - Must be funded in its entirety
 - Chargeable to the FY in which it is made
 - B-240264
 - B-317139





Bona Fide Need Rule

CASE STUDY



Time - Exceptions

- If supplies cannot be delivered in current FY, does not violate BFN rule if
 - Time between contract award and delivery of item is not excessive
 - Supplies are not commercial items readily available
 - Government cannot direct the contractor to withhold delivery
 - DoD FMR, Vol 3, Ch. 8, Para. 080303B

Time - Delivery Lead-

- It is September 2012
- Your organization is hosting its first Advance Critical Skills Course on 20 October
- You have requirement to buy 40 unique ergonomic desks and chair combinations
- Company A is the only organization that can fulfill the order; none are available commercially
- Company A has all 40 desks and chairs readily available and delivery will take 45 days

Is it acceptable to purchase items using current year funds?

Time – Production Lead-

• It is September 2012

- Your organization is hosting its first Advance Critical Skills Course on 20 Oct
 - You have a requirement to buy 40 unique ergonomic desks and chair combinations
 - Company B is the only organization that can fulfill the order; none are available commercially
 - Company B has no inventory and will have to produce all 40 desks and chairs
 - Production will take 45 days (October 15) and delivery will take two days (October 17)
-

Is it acceptable to purchase the items using current year funds?

Time - Stock Level Exception

- Can order up to normal inventory
- Example:
 - SMU reaches the reordering point
 - Places an order to restock the shelves
 - Order up to the normal inventory (is not restricted to current year need)
- No stockpiling!



Time - Stock Level Exception

- It is September 1, 2012
 - Your organization will be hosting a series of Advance Critical Skills Courses during FY13
 - The first course commences on 15 October
 - You typically use 500 binders for the courses each FY and only have 40 in stock
 - Your current storage capacity supports 500 binders
 - Since attendance at each course is 50 students, your organization has established a reordering point of 51 binders

Time – Stock Level

Exception

- CO tells you to buy as many as we can afford, but make sure we have enough for the first course
- You approach the Supply Officer who tells you
 - We have enough funding to purchase 1,000 binders
 - We can buy them today (Sept 1) and have them delivered tomorrow morning (Sept 2)
 - The CO wants us at 99% CMT'd today, this will seal the deal!

How many binders can you purchase?



Time - Training

Exception

- Similar to non-severable service contracts
 - Entire training must be completed to get the full benefit
- Training contracts may be obligated in full with current FY funding at time performance begins
 - Even if the course extends into next FY
 - B-257977
 - B-238940
 - B-233243

Time – Training

Exception

- Training courses commencing on or after 1 October (next FY) may constitute a BFN of the current year if:
 - Immediate need in the current year
 - Scheduling is beyond the agency's control
 - The time between award of the contract and performance is not excessive

Time – Training

Exception

- Multiple course training may be severable
 - Benefit received after each single course is completed
 - B-257977

Time - Travel

- Permanent Change of Station (PCS)
 - Travel and Relocation costs are BFN of the FY in which orders are issued
- Temporary Duty Travel (TDY)
 - BFN of the year in which the travel actually occurs
 - Roundtrip airfare is chargeable to the period for which TDY commences



Time – Construction

Contracts

- Similar to non-severable service contracts
 - BFN of FY contract awarded
 - Need must exist during funds availability period
- Consider the following factors
 - Normal weather conditions
 - Required delivery date
 - Date facilities, sites, or tools are available to contractor
 - Degree of control Government has over when work begins

Time - Construction

- It is September 28, 2012
- Barracks renovation planned for 22 MEU's spaces
- 22 MEU deploys on 20 December
- MEU operations cannot be disrupted before deployment
- It will take one week for the remain-behind-element (RBE) to clear spaces
- Barracks available for renovation on 27 December 2012
- Normal lead-time for starting a renovation project of this type is 15 days.

Is this a BFN of FY12 or FY13?

Time – Maintenance and Repair

- May obligate current year funds when contractor performance may not begin until next FY
 - DoD FMR, Vol. 3, Ch. 8, Para. 80303.D
 - Must contain requirement that work begin before
1 Jan

Time – Revolving Funds

- No-year appropriation
 - Does not depend on annual appropriations
- BFN exception does not apply to funds placed by an agency into a revolving fund
 - Agency may not “park” funds based on future needs
 - B-288142

Inter-service/Inter-Agency

- Economy Act Order: 31 USC 1535
- Inter-agency orders for goods and services within DoD
 - Between DoD and other Executive Agencies
 - Typically ordered by contract
- Ordering agency must reimburse performing agency for costs

DoD FMR Vol. 11A, Ch.

3



Economy Act

- USMC regulations imposed by DC, I&L may make this a time-consuming process
- The DoD FMR cites “previous instances of abuse of Economy Act orders” as the basis for strict limitation
- Seeks to prevent agencies from circumventing “conditions and limitations imposed on the use of funds, including extending the period of availability”.

Economy Act – Legal Requirements

- Budget Authority is available
- Agency head decides order in best interest of US Government
- Agency filling order able to directly provide goods or services or enter into contract for them
- Agency head decides goods or services cannot be provided as conveniently or inexpensively through contract

Economy Act – Other Requirements

- Agency placing order must transfer budget authority to agency filling order to make payment
- Within DoD, Economy Act Orders typically executed via DD Form 448, Military Interdepartmental Purchase Request (MIPR)
- The DoD FMR mandates Determination and Findings (D&F) to ensure compliance with 31 USC 153.

DoD FMR Vol. 11A, Ch. 3

Economy Act Orders Within DoD

- Head of activity placing order must:
 - Determine order is in best interest of the US Government
- Head of activity filling order must:
 - Determine order is within capabilities of agency without jeopardizing assigned missions
- DD Form 1144 (Support Agreement) will be used to denote these determinations

Project Orders

- A “specific, definite and certain” order or contractual agreement between DoD entities for work or material (goods or services) pertaining to an “approved project” (approved by officials with legal authority).

41 U.S.C § 23

DoD I 4000.19

DoD FMR Vol. 11A, Ch. 2

Project Order execution

- Budget authority must be transferred via reimbursable
- DoD entities issuing Project Order must provide receiving DoD entity adequate time to prepare detailed cost estimates

Project Order - 51% Rule

- DoD entity filling the order to perform at least 51% of the total value of the order
- If unable to perform 51% of the work, the order may be placed under the terms of the Economy Act
 - A contract with a commercial vendor may be pursued

Time - Interagency Acquisitions

- BFN determination made by requesting activity
 - Servicing Agency should refuse non-compliant orders
 - DoD FMR, Vol. 11A, Ch. 3, Para. 030403
- If servicing agency does not award contract prior to the end of FY, funds...
 - Expire
 - Must be de-obligated
 - Must be returned to the requesting Agency

31 U.S.C §
1535(d)

B-301561

B-282601

Time - Interagency Acquisitions

- DoD entities that may perform under a Project Order may include:
 - Equipment overhaul or maintenance shops
 - Software design activities
 - Research and development laboratories
 - Engineering and construction activities



<http://www.lejeune.usmc.mil/contracting/Interagencytransferfunds.html>

Time – Contract Obligations

- Firm-Fixed Price Contracts
- Fixed Price Incentive Contract
- Cost Reimbursement (Cost-Plus Fixed/Award Fee)
- Indefinite-delivery, Indefinite Quantity
- Requirements Contract
- Blanket Purchase Agreements

Time – Contract Obligations



A Firm Fixed Price type contract





Time – Use of Expired Funds

- Consult Area Counsel on all matters
- Some exceptions to obligate funds after period of availability
 - Contract Modification ←
 - Bid Protests
 - Terminations for Default (T4D)
 - Terminations for Convenience (T4C)
 - Unauthorized Commitment Ratification ←

Time – Contract Modifications

- Contract Modifications Affecting Price
 - Cannot represent a new requirement
 - BFN of same year of original contract
 - May not to exceed \$4 million in one FY without agency approval
- Increases to Quantity
 - Normally viewed as outside scope changes
 - Requires new obligation chargeable to funds current at time of contract modification

B-195732

B-198574

B-207433

B-257617

Time - Ratifications

- Occur when KO validates an unauthorized commitment
- Actions
 - Commit funds when ratification package sent to contracting
 - Record obligation once ratification is complete

Use budget authority from period
when commitment occurred *if
available*

Time – Full Funding Policy

- Fully fund procurements or projects in FY that item is procured
 - Intended to prevent incremental funding
 - Disciplined approach for Program Managers to execute programs within costs & available budget

B-184830

DoD FMR Vol 2A, Ch

1

Time – Incremental Funding

- Advanced Procurement of Major End-Items
 - Exception to full funding policy
 - Long lead time for major procurement
 - Allows acquisition of
 - Components
 - Material
 - Parts
 - End-Items must have significantly longer lead-time



Time – Contract Flexibility

- Multi-year Contracts
 - Contract for supplies or services for more than one year
 - Not more than five program years
- Option Years
 - Ensures continuity of contractual relationship
 - May not be exercised automatically
- Performance during subsequent years may be contingent upon appropriation of funds





Appropriation and Contract Case

CASE STUDY



Amount

- Both “time” and “purpose” can lead to Anti-deficiency Act (ADA) violations, but until the “amount” is exceeded, no ADA violation has occurred



Amount - Anti-deficiency Act

An “officer or employee of the U.S. government” may not...

“Make or authorize an expenditure or obligation exceeding an amount available in an appropriation” unless authorized by law
31 U.S.C. § 1341(a)(1)(A)

“Involve” the government “in any contract or other obligation for the payment of money before an appropriation is made” unless authorized by law 31
U.S.C. § 1341(a)(1)(B), B-225039

Amount - Anti-deficiency

An “officer or employee of the U.S. government” may not...

“Make or authorize an expenditure or obligation exceeding an (1) apportionment, (2) amount permitted by regulations”

31 U.S.C. § 1517(1)

“Accept voluntary services [for the United States] or employ personal services... except for emergencies involving the safety of human life or the protection of property” or unless authorized by law”

31 U.S.C. § 1342

Amount – Anti-deficiency

- Imposes prohibitions at three levels
 - Appropriation 31 U.S.C. § 1341
 - Apportionment 31 U.S.C. § 1517
 - Formal Subdivision 31 U.S.C. § 1517
 - Allocation, Allotment, Sub-Allotment



Amount – Subdivisions

“Any military member or DoD employee who violates any provision or limitation imposed by any law may violate the ADA and shall be subject to discipline and/or criminal penalties”

DoD FMR Vol 14, Ch 2

- Informal Subdivisions (Allowance, Targets)



Amount – Violation of “Purpose”

- Will trigger an ADA violation if
 - Exceeds appropriation (\$0)
 - Correction will raise obligations in excess of authorized amount
- Purpose violations are correctable
- ADA violations are not correctable, but are avoidable

Amount – Violation of “Purpose”

- Common “Purpose” violations include
 - O&M,MC v. MILCON
 - Expense v. Investment
- O&M,MC for construction, \leq \$750K
 - B-213137
- O&M,MC is available for investment items, \leq \$250K

DoD FMR Vol 14, Ch
2

Amount – Violation of

- An ADA violation can be avoided if proper funds were available at the time of the

- Erroneous obligation **AND**
- Correction

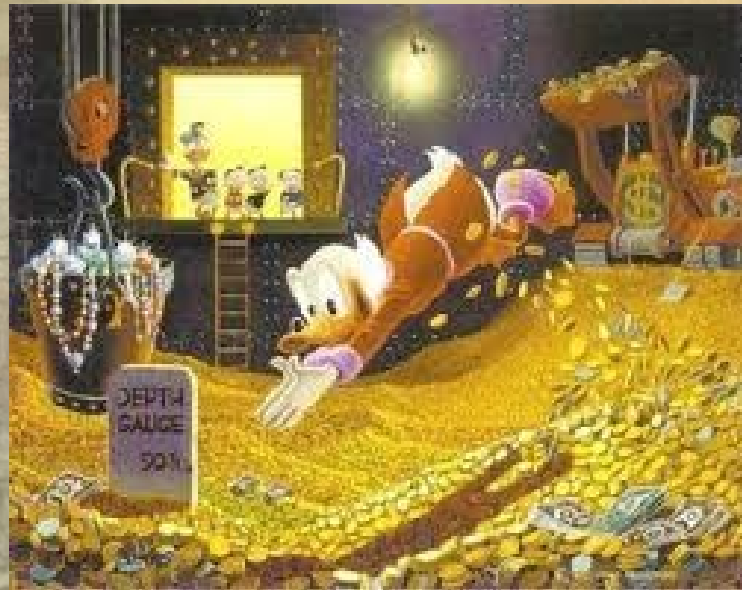
- “Funding correction”

- De-obligate the improper funds

“Obligate the wrong” funds
“Funding corrections” must be accomplished whether or not it results in an ADA violation

Amount – Violation of “Time”

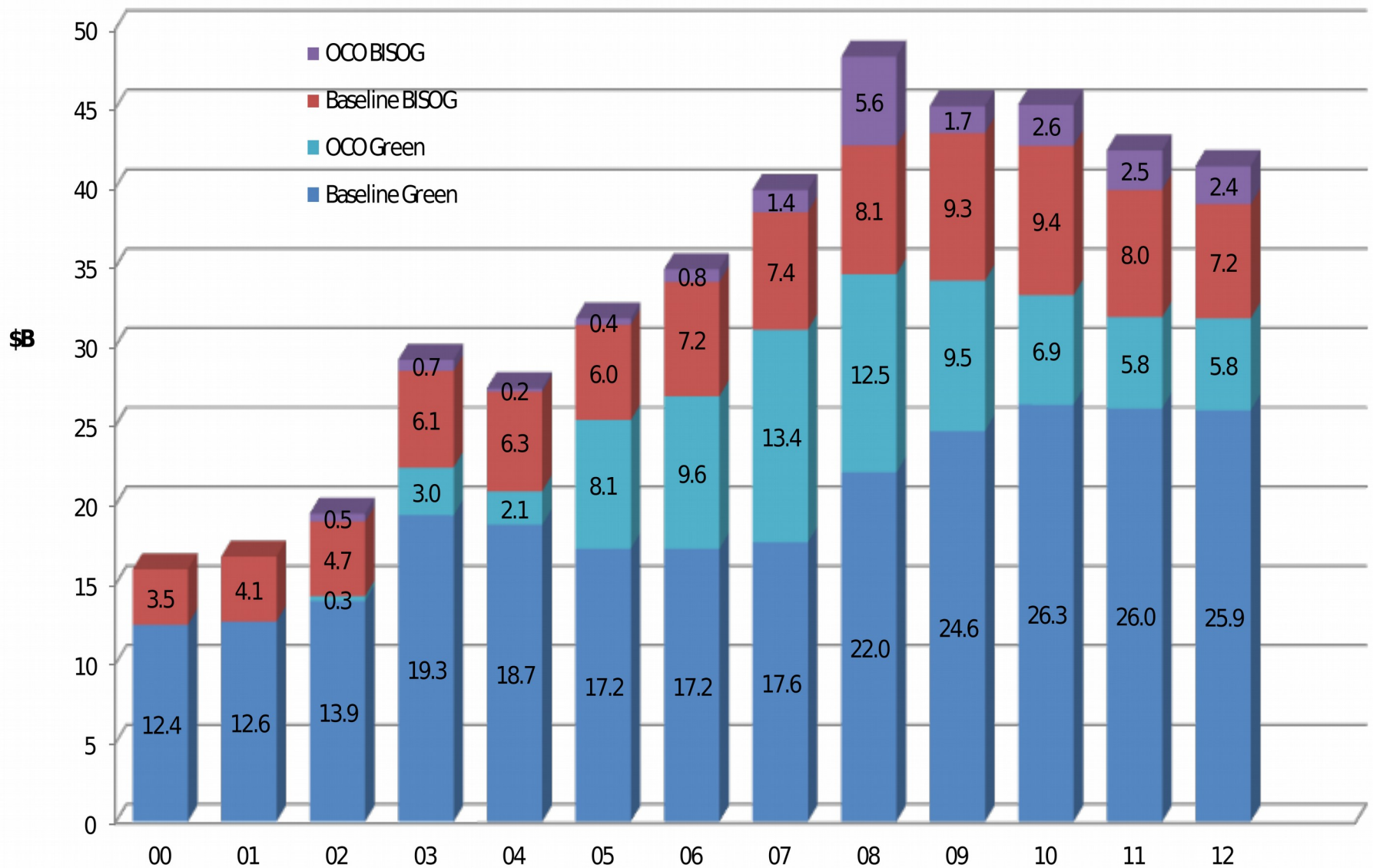
- Will trigger an ADA violation if
 - Upon correcting error, funds are not available in proper fiscal year



Federal Budget – 2013 Proposal

- ~ 37% Discretionary Spending
- ~ 63% Mandatory Spending
- http://www.nytimes.com/interactive/2012/02/13/us/politics/2013-budget-proposal-graphic.html?_r=0

USMC Budget – Historical



Amount – Exception

41 U.S.C. §
11

- Feed and Forage Act
 - Permits DoD to contract in excess of appropriation
 - Clothing, subsistence, forage, fuel , quarters, transportation, or medical supplies
 - Must not exceed needs for current FY
 - Limited to “emergency circumstances... [where] action cannot be delayed long enough to obtain proper funds”
 - Contract authority only; not disbursement

Amount – Lump Sum Appn

- Provides one large pot of money for many specific purposes
- Operation and Maintenance, Marine Corps:
 - “For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, **\$5,542,937,000**”

Amount – Earmarks

- Congress restricts an agency's spending flexibility
- Funding set aside for particular purpose
- Must appear in Appropriations Act language



Amount – Ceiling



Not to Exceed
(NTE)

Not more than

- Agencies may only use funds specifically appropriated for that purpose
- Unobligated balance is available for other purposes



Amount – Floor

- Establishes minimum amount required for particular purpose
- No portion of earmark may be obligated for any other purpose



Not less than





EEE

CASE STUDY



Amount - Augmentation

- Agency may not augment appropriations from outside sources
- Prevents Executive Branch from undercutting Congressional Power of the Purse
 - Using wrong appropriation
 - Improperly using miscellaneous receipts

Amount – Augmentation

- Did the Agency retain funds from an outside source?
 - Did the Agency retain and credit the funds to its own appropriation?
 - Should it have deposited the funds into the Treasury account?
-

If yes to all, an improper augmentation has occurred

Amount – Augmentation

- Miscellaneous Receipts Rule

“An official or agent of the Government receiving money for the Government from any source shall deposit the money in the Treasury as soon as practicable without deduction from any charge or claim”

31 U.S.C. § 3302

- Exceptions to Miscellaneous Receipts Rule

- The Economy Act
- The Foreign Assistance Act
- Revolving Funds

Amount – Voluntary Services

- An employee of U.S. may not
 - Accept voluntary services
 - Employ personal services
- Constitutes augmentation
- Excludes emergencies involving safety of human life or protection of property

31 U.S.C. §
1342

B-223857



Amount – Availability of Funds

- Awarding contracts prior to period of availability
 - Must include “subject to the availability of funds” clause
 - FAR 52.232-18

https://www.acquisition.gov/far/html/52_232.html

- Government may not accept supplies or services under these contracts
 - Contracting Officer must first give written notice that funds are available

Amount – Continuing Resolution

- Continuing Resolution Authority (CRA)
 - Provides “stop-gap measure”
 - Allows Congress to resolve issues in draft Appropriations Act
 - Temporary Appropriations Act
 - Generally, allows DoD to operate at levels consistent with previous FY

Amount – Continuing Resolution

- FY13, Sec. 101
 - Rate of operations
- FY13, Sec. 102
 - No new starts
- FY13, Sec. 106
 - Longevity
- Until an appropriations act is signed into law, the “subject to availability of funds” clause must be present on contracts

Interim Summary

Knowledge Check





Special Interest Items

- Construction
- Expense
- Investment
- Mutual Support



Construction

- Military Construction (MILCON)

“Any construction, development, conversion, or extension of any kind carried out with respect to a military installation, whether to satisfy temporary or permanent requirements.”

10 U.S.C. § 2801

- MCO P11000.5G W/ Ch 1

“Real Property Facilities Ma



MILCON

National Defense Authorization Act FY13 (NDAA)

QUANTICO	INFRASTRUTURE—WIDEN RUSSELL ROAD	14,826
	THE BASIC SCHOOL STUDENT QUARTERS—PHASE 7	
31,012		
	WEAPONS TRAINING BATTALION MESS HALL	12,876
BEAUFORT	AIRCRAFT MAINTENANCE HANGAR	42,010
	AIRFIELD SECURITY UPGRADES	13,675
	GROUND SUPPORT EQUIPMENT SHOP	9,465
	RECYCLING/HAZARDOUS WASTE FACILITY	3,743
	SIMULATED LHD FLIGHT DECK	2,887
PARRIS ISLAND	FRONT GATE ATFP IMPROVEMENTS	10,135
HAWAII	KANEOHE BAY AIRCRAFT STAGING AREA.....	14,680
	KANEOHE BAY MV-22 HANGAR AND INFRASTRUCTURE....	
82,630		
CALIFORNIA	COMM. INFORMATION SYSTEMS OPS COMPLEX	
78,805		
4,159	MV22 AVIATION SIMULATOR BUILDING	

\$000

MILCON

- MILCON Appropriation
- Section 2201 (NDAA)
 - Sets forth Navy/USMC MILCON project authorizations
- Available for five years, 30 Sept of third year project authorizations expire

10 U.S.C. §
2801

MILCON

- MILCON projects include
 - Surveys and site preparation
 - Acquisition, conversion, rehab and installation of facilities
 - Acquisition and installation of equipment and accessories integral to project
 - Planning, supervision, administration, and overhead

MILCON – Categorization

- Define Scope of Project
- Classify Work
- Determine Funded v. Unfunded Costs of Project
- Select Proper Appropriation

MILCON – Defining the Scope

- Military construction projects
 - “Includes all work necessary to produce a complete and usable facility, or a complete and usable improvement to an existing facility”

10 U.S.C. §
2801(b)

- Project splitting/incrementation prohibited

B-234326

MILCON – Classify the Work

- Construction includes
 - Installation/assembly of a new facility
 - Addition, expansion, extension, alteration, of an existing facility



Addition, expansion, or extension

- Increases physical dimensions

Alteration

- Changes interior or exterior of a facility
- Improves use for its current purpose

MILCON – Classify the Work

- Construction includes (cont.)
 - Conversion or replacement of an existing facility

Conversion

- Similar to alteration, but permits use for new purpose

Replacement

- Complete reconstruction of a facility damaged or destroyed beyond economical repair

MILCON – Classify the Work

- Construction includes (cont.)
 - Relocation of facility from one site to another
 - Installed Equipment made an integral part of facility



MILCON – Classify the Work

OPNAVINST 11010.33C





MILCON – Classify the Work

- Maintenance
 - OPNAVINST 11010.20G
 - “Recurring, day-to-day, periodic, or scheduled work required to preserve or return a real property facility to such a condition that it may be used for its designated purpose”

Funded
with
O&M, MC

MCO P11000.5G W/
Ch1

MILCON – Classify the Work

- Maintenance (cont.)
 - Work undertaken preventing damage to facility that would be more costly to repair
 - Waterproofing
 - Painting interior/exterior
 - Seal-coating asphalt pavement
 - Resealing joints in runway pavement
 - Dredging to previously established depths
 - Cleaning storage tanks

MILCON – Classify the Work

- Repair
 - Restore real property facility to use for designated functional purpose

DoD FMR Vol 2B, Ch
8

Funded
with
O&M, MC

MILCON – Classify the Work

- Repair can include
 - Interior rearrangements that do not affect load bearing walls
 - Restoration of existing facility to
 - Allow for effective use of existing space
 - Meet current building standards or code requirements
 - Minor additions in existing facilities to return them to operating efficiency

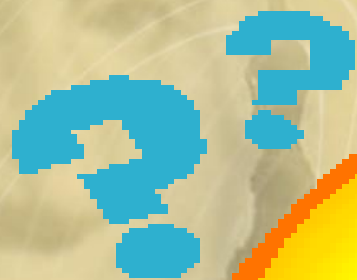
MILCON – Classify the Work

- Repair can include (cont.)
 - Replacement of facility components installed as integral part of facility
 - Replacement of energy consuming equipment with specific conditions

MILCON – Classify the Work

- Repair can include (cont.)
 - Demolition of facility or portion of a facility if:
 - No longer economically maintained
 - Hazard to health and safety of personnel
 - “Excess facility”
 - NOT to clear space for a new facility





MILCON – Proper Appropriation

- Unspecified Minor Military Construction (UMMC)
 - \leq \$2,000,000
 - \leq \$3,000,000 (solely for health/safety)
 - \geq \$ 750,000 (requires SECNAV approval)
- FY13 NDAA provides \$16.5M

Funded
with
MILCON

10 U.S.C. §
2805

MILCON – Proper Appropriation

- Use of O&M, MC for UMMC
 - Approved cost is \leq \$750,000
 - Life or safety threatening deficiencies, the limit is \$1,500,000

Funded
with
O&M, MC

10 U.S.C. §
2805

MILCON – Proper Appropriation

- It is September 1, 2012
 - On July 1, 2012, your organization entered into a contract for a corrosion control facility
 - The original cost estimate was \$685,000
 - Due to cost overruns, the current cost of the project is \$744,500
 - It is likely that you may encounter more cost overruns
- **What actions should you take?**

Investments vs. Expenses



Investments vs. Expenses

- Expense Threshold is \$250,000 for O&M,MC
- Investment Items include
 - Individual items > \$250,000
 - Items that are part of a system > \$250,000
 - Centrally managed programs

Expenses

- Costs incurred to operate and maintain the organization
 - Supplies
 - Fuel
 - Maintenance or Repair

DoD FMR Vol 2A, Ch
1



Investments

- Investments are costs that result in
 - Acquisition of, or modification to, end items
 - Benefits for future periods
 - Real property and Personal property
 - Centrally Managed programs or Programs of Record
 - Information Technology
 - Individual Clothing and Equipment

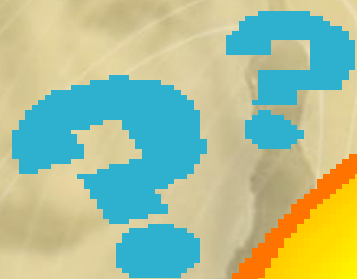
Katy

CM
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**GBOSS
MARFORRES**

CASE STUDY



WALL ST

United States Treasury



Pay to
the order of

Mutual Support

Why spend your money when you can spend someone else's money?

Why spend your money when you **HAVE** to spend someone else's money?

Foreign Military Training

- **Department of State**

- Security Assistance
- Big “T” training
 - Designed to improve operational readiness
 - DoD may conduct activities for which U.S. receives primary benefit

- **Department of Defense**

- Security Cooperation
- Little “t” training
- Primary purpose of interoperability, safety, mutual understanding or familiarization

Foreign Military Training

- Factors to consider when determining if training is little “t” training
 - Duration
 - Formality of the lessons
 - Who instructs?
 - Location
 - Student-level
 - Reciprocal or one-way?
 - Graduation or certificate?



Training

Example:

- DoD conducts training of foreign forces regarding appropriate Rules of Engagement (ROE) preparing them to stand guard posts alongside U.S. forces
- All necessary precautions taken to successfully stand post without endangering lives of U.S. forces
- Primary benefit is safety of U.S. forces

Mutual Support with Allies

- Status-of-Forces Agreements (SOFAs)
 - Between U.S. and host nations
 - Defines rights, immunities, and duties of the force, its members, and family
 - Can establish legal obligations independent of contract provisions
 - Can address civil jurisdictions, claims, taxes, duties, services provided to each party, procuring supplies and local employees

Mutual Support with Allies

- Acquisition and Cross-Servicing Agreements
 - Mutual exchange of logistics support, supplies, and services
 - Agreements fulfilled through
 - Payment-in-Kind
 - Equal-Value-Exchange
 - Replacement in kind

10 U.S.C. §
2342

DoD Directive
2010.9



Mutual Support with Allies

ACSA Permitted

Food/Clothing/POL

Transportation

Port Services

Medical Services

Base Operations Support

Use of Facilities

Airlift

Comm Services

Storage Services

Training Services

Repair & Maintenance

ACSA Prohibited

Weapon Systems

Significant Military Equip

Guided Missiles

Naval Mines

Torpedoes

Significant (non-classified) Military Equipment **(may be loaned)**

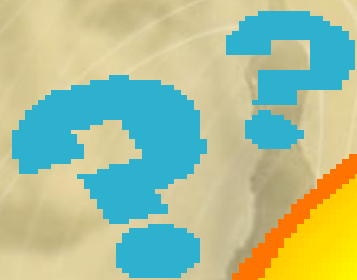
Up- Armored HMMWVs

Communication

Equipment

Protective Masks

Counter IEDs



Theater Specific

- Global Train and Equip (Section 1206/1207)
 - Provides equipment, supplies, and training to “build the capacity” of foreign military forces to
- Afghanistan Security Force Funds (ASFF)
 - Supports the transition of foreign military to self-sustainment
- Joint Combined Exchange Training (JCET)
 - Train our forces to train foreign SOF

Theater Specific

- Combatant Commander Initiative Fund (CCIF)
 - Unforeseen and emergent contingency requirements critical to combined readiness

CCIF Examples

Force Training
Command & Control

Joint Exercises

Education/Trng

Bilateral personnel expenses

Capabilities

Contingencies

Force Protection

Military

Joint Warfighting

Theater Specific

- Developing Countries Combined Exercise Program (DCCEP)
- Humanitarian Civic Assistance (HCA)
- Personal Expense (PE)
- Commanders' Emergency Response Program (CERP)

Theater Specific

- Overseas Humanitarian, Disaster, and Civic Aid (OHDACA)
 - Support SECDEF and CoComs' security cooperation strategies building indigenous capabilities and cooperative relationships
 - Services only reimbursed for incremental costs

Operation
Tomadachi







PRACTICAL APPLICATION



Non-Appropriated Funds

- Defined
 - Government monies not appropriated by Congress and not held within the US Treasury
 - Accounted for by the US Treasury

DoD FMR Vol. 13,
Ch 1

- Military & Defense Agencies generate NAF
 - Sale of goods & services
 - MWR programs
- NAF FY Feb 1 - Jan 31



Non-Appropriated Funds

- Supports MWR programs and activities
 - Lodging
 - Civilian welfare
 - Post restaurant
 - Religious & educational programs
 - Collective benefit of military personnel, families & authorized civilians
 - Exchange Activities



Other NAF Examples

- Holiday or other special parties
- Birthday Ball
- Deployment briefs
- Welcome aboard orientations
- Award ceremonies
- Commander's calls
- Workshops
- Changes of command etc.
- Air Show

NAF Instrumentality

- Supported in whole or in part by NAF
- Federal agencies regulate activities
- Part of DoD organization, but operates independently
- Maintain custody and control over it's funds

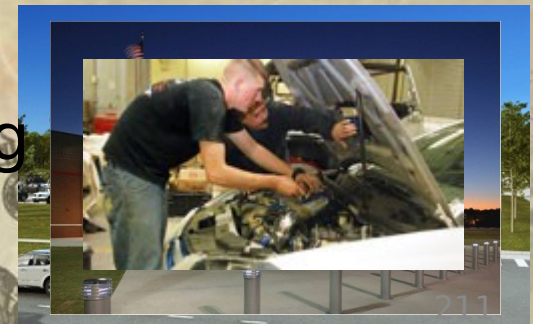
MCO P1700.27B w/
Ch1



Mission: “to make significant lasting contributions to combat readiness through the personal and family readiness of our Marines and

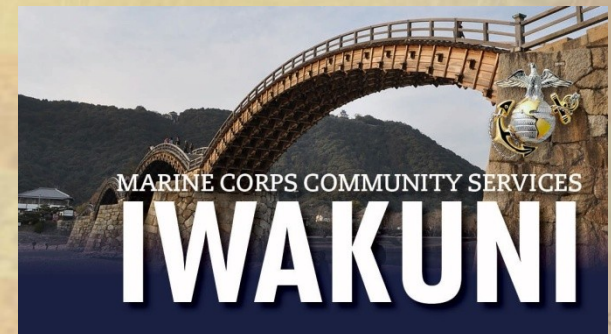
APF for MCCS

- MCCS MWR activity categories:
 - Cat A - Mission Sustaining Activities
 - Supported > 85% with APF
 - Virtually no capacity to generate NAF revenue
 - Cat B - Basic Community Support Activities
 - Supported > 65% with APF
 - Limited capacity to generate NAF revenue
 - Cat C - Revenue Generating Activities
 - Very limited APF support
 - Almost completely self sustaining



APF for Cat C

Designated remote and isolated locations



Unit Non-Appropriated Funds

- MCCS NAFIs provide \$10/YR per Marine for MWR related expenses
- Can't be used for Awards program
- Availability may not cross FYs without waiver by Installation Commander



NAF Restrictions

- NAF not authorized for APF expenditures
- Uniform Funding and Management
 - Provides Commanders flexibility funding certain MWR activities by using APF funds as NAF
 - May be used to convert FTEs to NAF from APF

Deployment Support

- Quality of life (QOL) needs
- Deployment Support Coordinator (DSC)
 - Recreation equipment
 - Food & hospitality
 - Retail services
- Support from MCCS based on support provided by the Executive Agent (EA)



Appropriation Law

Course: Basic Principles

Summary

- Accountable Officials
- Sources of Appropriation Law
- Appropriations Available as to Purpose
- Appropriations Available as to Time
- Anti-Deficiency Act
 - Appropriations Available as to Amount
- Military Construction
- Expense vs. Investments

Appropriation Law Course

ALC 0101

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